

**Illinois Department of Revenue
Regulations**

Title 86 Part 435 Section 435.140 Provider's Licenses
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TITLE 86: REVENUE

**PART 435
CHARITABLE GAMES ACT**

Section 435.140 Provider's Licenses

- a) Except as provided in subsection (c) below, the person or organization owning, leasing, or controlling premises upon which any charitable games event is to be conducted must first obtain a license to provide the premises for the charitable games event. As used in this Section "premises" means a distinct parcel of land and the buildings thereon. Premises may also include a boat upon which charitable games are being played, provided that documentation required by the Department regarding the location and identification of the boat is submitted with the application.
- b) Application for a provider's license must be made on the form provided by the Department, and must be accompanied by a license fee of \$50. If, from the information provided on the application, the Department cannot determine with reasonable certainty that a person whose name appears on the application in a capacity described in Section 435.150(a)(6) or (7) does not have a criminal record which would make the applicant ineligible for the license, the Department will require such person to submit to fingerprinting in order to make a more certain determination as to the lack of a criminal history of such person. If the owner of the premises is a trust, the owner must disclose the names of all trust beneficiaries. Any change in officers, directors, partners, or stockholders or partners owning at least 10% of the shares of a corporate or partnership licensee, must be reported to the Department within 30 days after the change. If ownership of a licensee is changed, a new application must be submitted to the Department (e.g., a corporate licensee is merged into a different corporation). Each provider's license is valid for one year from its date of issuance.
- c) *A licensed provider, other than a municipality, may not provide the same premises for conducting more than 8 charitable games nights per year. A municipality may provide the same premises for conducting 16 charitable games nights during a twelve month period (Section 5 of the Act).*
- d) If an organization has a license to conduct a charitable games event on premises which it owns, or at which it has its principal office or conducts activities for which it was organized, no provider's license is necessary. In addition, such licensee may obtain a provider's license in accordance with Section 5 of the Act to allow it to rent or otherwise provide its premises to another licensee for the conducting of an additional 4 charitable games events (Section 5.1 of the Act). *However, in no event shall a premises be used for the conducting of more than 8 events per calendar year (Section 5.1 of the Act), even if one or more licensed organizations owns, has its principal office in, or conducts activities for which it was organized, in that premises.*

e) *A provider may receive reasonable compensation for the provision of the premises. The compensation shall not be based upon a percentage of the gross proceeds from the charitable games (Section 5 of the Act). Any arms-length agreement as to rent between a provider and a charitable games licensee shall be presumed to be reasonable, provided both parties are in full compliance with all provisions of this Section.*

f) *A provider shall not have any interest in any supplier's business, either direct or indirect. No employee, officer, partner, agent, or owner of a provider may participate in the management or operation of a charitable games event, even if the employee, officer, partner, agent, or owner is also a member, volunteer or employee of the charitable games licensee, and regardless of whether compensated (Section 5 of the Act).*

g) *A provider may not promote or solicit a charitable games event on behalf of a charitable games licensee or qualified organization (Section 5 of the Act). For instance, a provider may not maintain or operate a hotline or newsletter advertising the time and date of games. However, a marquis located on the provider's premises which indicates that a licensee is hosting a charity gaming night is permissible. A provider may not recruit a qualified organization for an event.*

h) *A provider is authorized to provide premises for charitable gaming only for organizations which have been duly licensed by the Department. To ensure that the organization is duly licensed, the provider shall obtain from the organization a copy of its license showing the license number and expiration date, and shall retain this documentation in his books and records.*

i) *The provider's books and records relating to the provision of premises for charitable games events, including the documentation required by subsection (h) above, shall be maintained for a period of three years after the expiration of a license issued pursuant to this Section and shall be available for inspection by agents or employees of the Department during reasonable business hours.*

(Source: Amended at 21 Ill. Reg. 3978, effective March 14, 1997)